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SUMMER VILLAGE INCORPORATION

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EDMONTON

AN INFORMATION PACKAGE FOR THE GENERAL PUBLIC

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INFORMATION PACKAGE

FOR THE

GENERAL PUBLIC

SUMMER VILLAGE INCORPORATION

WHAT IS A SUMMER VILLAGE?

A summer village is an incorporated municipality formed pursuant to the provisions of the Municipal Government Act, R.S.A., 1980. Other types of municipal government in Alberta include villages, towns, counties and municipal districts.

Section 12 of the Municipal Government Act, R.S.A., 1980, states as follows:

> "When a municipality is formed under this part, the Mayor, councillors and other electors of the municipality become a corporation with the name given the municipality in the order forming it."

Therefore, when a summer village is formed, it becomes a municipal corporation which has all the rights and duties of a corporation, as well as those rights and duties expressly set out in the Municipal Government Act and other provincial legislation affecting municipalities.

Once incorporated, and a council has been elected, it may pass by-laws for the peace, order and good government of the municipality, and, for promoting the health, safety, morality and welfare thereof. Also, it may pass by-laws for governing the proceedings of the council, the conduct of it's members and the calling of meetings.

Some of the services provided by a municipality are fire and police protection, sanitation and waste removal, and road services. Prior to incorporation, these services would be provided by the municipality in which the summer resort is situated.

Upon incorporation the summer village only has jurisdiction within the defined boundaries; this means that roads leading to the summer village will remain in the rural jurisdiction for which the summer village has no control.

A typical budget of a summer village has been attached for reference purposes. It was prepared by the Alberta Municipal Affairs on the basis of known financial information regarding Alberta summer villages. It outlines the services usually provided and associated costs.

HOW IS A SUMMER VILLAGE FORMED?

A summer village is formed by an order of the Lieutenant Governor in Council, pursuant to section 13 of the Municipal Government Act (copy attached). The decision as to whether such an order is to be issued is a matter of discretion, after the Minister of Municipal Affairs receives a valid petition.

Before proceeding with a petition, however, it is recommended that those individuals interested in forming a summer village hold a public meeting, or series of public meetings, whereby all ratepayers of the summer resort and interested parties, have an opportunity to hear the reasons for the petition to become a self governing municipality. It is recommended that they be encouraged to express their opinions. Any objections or reasons for not proceeding should be discussed openly and freely.

It should be noted that before a summer resort can be incorporated, it must contain not less than fifty separate buildings, each of which has been occupied as a dwelling at any time during the six month period immediately preceding the receipt of the petition by the Minister.

If it has been determined sufficient support is evident, for the incorporation of a summer village, and the basic requirements have been met, it will be necessary to prepare a petition, in accordance with the provisions of the Municipal Government Act, and submit it to the Minister of Municipal Affairs. A sample petition is attached for your information and guidance.

The petition must be signed by the majority of the aggregate of:

(a) the persons whose name appears on the assessment roll in respect to land that is located in a summer resort and that is liable to assessment and taxation for general municipal purposes, and

(b) the persons who are liable for the payment of mobile home licenses in respect of mobile units located in a summer resort.

Each signature on the petition should be witnessed by an adult person (18 years of age or older).

Upon receipt of the petition and plan showing the proposed boundaries of the summer village, an enquiry would be made by Alberta Municipal Affairs as to the assessed valuation of the area and the ability of the people in the proposed summer village to meet the obligations they would assume, if, in fact, the summer village was incorporated.

The Department would determine if the proposed summer village had sufficient residents to support the financial aspects of incorporation. As mentioned previously, there must be 50 separate buildings, each of which has been occupied as a dwelling at any time during the 6 month period preceding the receipt of the petition. Without these required number of buildings the assessment base would not be sufficient to warrant incorporation. The taxes required to effectively run the summer village as a self governing unit would be very high and possibly not acceptable with the taxpayers.

Also, there should be a road system in place which can be easily maintained and provides accessibility to all areas of the municipality, without having to leave the jurisdiction.

Following the above preliminaries, the Minister may cause a notice in the prescribed form to be posted in three conspicuous places and published in two issues of a newspaper having general circulation within the proposed village.

The notices remain for thirty (30) days during which time any person is at liberty to register, with the Minister, any objection he or she has to the formation of the summer village.

The Minister, if he decides to proceed with the incorporation, will make a recommendation to that effect to the Lieutenant Governor in Council.

WHAT HAS TO BE DONE AFTER INCORPORATION OF THE SUMMER VILLAGE?

After incorporation a number of things will happen.

The summer village council will have to be elected by the electors. Once the council is elected, they will have to hire a municipal administrator (or secretary/treasurer) to handle the day to day duties of managing the summer village. In the interim period, until a council is elected, Alberta Municipal Affairs will appoint an official administrator who will act as council and ensure that all the necessary administrative duties to establish and operate the summer village, as well as run the first election, are carried out.

Also, it will have to be determined where the summer village office will be located and how it will be organized and furnished (i.e. equipment, supplies, etc.) Once elected, the council will have to decide on the date, time, and location of regular council meetings.

Further, council will have to give consideration to a number of issues including the establishment of contracts with the county, municipal district or improvement district, or another municipality or individual firms, for the provisions of services (e.g. fire protection, garbage collection, road maintenance, by-law enforcement, etc.) In addition, council will have to consider which by-laws of the county, municipal district, or improvement district that affect the summer village, should be adopted in the summer village. These usually include the general plan, land use, overnight camping, traffic control, firearms control by-law, and so on.

IS THERE A DIVISION OF ASSETS AND LIABILITIES BETWEEN THE SUMMER VILLAGE AND THE RURAL MUNICIPALITY?

Yes, there is.

When a summer resort is incorporated, there is a division of assets and liabilities between the summer village and the rural municipality. This determination is based largely upon the financial statement of the rural municipality for the preceding year. If the two municipalities cannot negotiate an amicable settlement, then Alberta Municipal Affairs will arbitrate.

Any reserve lands located in the newly incorporated municipality become the property of the new summer village.

Any arrears of taxes on property located within the new summer village accrue to the summer village. However, if the total amount of arrears was much higher than the average for the previous year, then the matter would have to be taken into consideration during the negotiations of the division of assets and liabilities.

IS INCORPORATION INTO A SUMMER VILLAGE THE ANSWER?

One of the advantages of incorporation is that you can control your own destiny. You acquire financial and long range planning control over the summer resort. You can ensure that grant money available will be spent within the summer village's boundaries.

One of the disadvantages is the cost associated with incorporation. A secretary/treasurer or municipal administrator must be hired and paid an annual salary. An administration office must be established complete with supplies, assessment and tax rolls, minute book and by-law register, typewriter, calculator, photocopier, legislative statutes, fire proof file cabinet and miscellaneous office supplies.

An auditor will have to be retained. The auditor is required to audit the financial statements each year.

The summer village will have to carry municipal property and liability insurance. Experience has proven that these premiums can be very costly as some insurance companies have had to pay out large settlements. Currently, some companies are reluctant to issue insurance to existing municipalities or their associations.

A by-law enforcement officer may have to be hired to ensure enforcement of the summer village by-laws.

Most importantly, there will be time commitments required by individual ratepayers and council members. Ratepayers and council members have to play an active role in promoting the summer village, if the summer village is to be successful. The time commitment is not seasonal; these responsibilities must be carried out on a year round basis.

ARE THERE ANY OTHER OPTIONS AVAILABLE TO US?

Yes, there is.

If the only concern is public works, (e.g. the maintenance of roads) then perhaps the residents of the summer resort should consider Hamlet status. A "Hamlet" is an unincorporated community consisting of a group of 5 or more occupied dwellings, a majority of which are on parcels of less than 1850 square metres, with a defined boundary, a distinct name and has the existence of, (or provision for) non-residential uses. It is designated as a hamlet by the council of the county or municipal district in which the community is located, or by the Minister. (see section 1(f) attached, of the Municipal Government Act).

If the summer resort achieves hamlet status, the ratepayers can petition the county or municipal district to cause at least 50% of the municipal taxes collected in the area to be expended on public works.

As a hamlet, you do not have to hire an administration, as the county or municipal district would still be the governing authority. An application for hamlet status should be presented directly to the council.

Further, if you are concerned about municipal services provided by the municipal district or county, you or a group of the summer resort residents should meet with the council and administration in an attempt to resolve the concerns. You may find your concerns can be addressed quickly.

CONCLUSION

Outlined above were some of the advantages, disadvantages and responsibilities of incorporating a summer village. It should be noted that many of the Province's existing municipalities are finding it increasingly difficult to shoulder these responsibilities. While Alberta Municipal Affairs has no desire to exert any influence, when a summer resort is considering incorporation, Alberta Municipal Affairs believes that the people who ultimately will be called upon to provide the funds for the services mentioned, and the time commitment required, should be made fully aware of the situation before they petition for incorporation.

Should you at any time wish to proceed, or if we can be of any further assistance, please do not hesitate to call:

Alberta Municipal Affairs
Municipal Services Branch
11th Floor, Jarvis Building
9925 - 107 Street
EDMONTON, Alberta
T5K 2H9

The Municipal Services Branch will provide personnel to review the steps of incorporation with interested groups.

PRO FORMA BUDGET - SUMMER VILLAGE

Expenditures	
Council and Legislative	2,100
General Administration	14,300
Police	3,000
Roads and Streets	2,800
Garbage	1,700
Subdivision Development	300
Recreation	1,200
Capital Projects	1,200
Requisitions	
School Foundation Program	100
Supplementary School	23,000
Hospital	2,000
TOTAL EXPENDITURES	51,700
Revenues	
General Administration	100
Police	3,000
Recreation	3,000
Penalties and Costs	2,000
Unconditional Grants	3,500
SUB-TOTAL	11,600
Hospital Tax	2,000
School Tax	23,100
Municipal Tax	15,000
SUB-TOTAL	40,100
TOTAL REVENUES	51,700

TAX RATE	MILL RATE
Total Assessment	
500,000	80.20
750,000	53.46
1,000,000	40.10
1,250,000	32.08
1,500,000	26.73
1,750,000	22.91
2,000,000	20.05
2,250,000	17.82
2,500,000	16.04

MUNICIPAL GOVERNMENT ACT

13(1) The Lieutenant Governor in Council, by order, may

(b) on receipt of the Minister of a petition signed by a majority of the aggregate of

(i) the persons whose names appear on the assessment roll in respect of land that is located in a summer resort and that is liable to assessment and taxation for general municipal purposes, and

(ii) the persons who are liable for the payment of mobile unit licences in respect of mobile units located in a summer resort,

and accompanied by a plan showing the proposed boundaries of the proposed summer village, form that summer resort into a summer village if the area that will be included in the summer village contains not less than 50 separate buildings each of which has been occupied as a dwelling at any time during the 6-month period preceding the receipt of the petition;

(2) On receipt of a request to form a municipal district, village or summer village, the Minister may cause a notice in the prescribed form to be posted up in 3 conspicuous places within the proposed municipality and to be published in 2 issues of a newspaper having a general circulation within the proposed municipality.

(3) Any person may, within 30 days from the date of the notice, file with the Minister objections to the formation of the proposed municipal district, village or summer village, but if during the period of 30 days, no objections are filed or if in the opinion of the Lieutenant Governor in Council any objections that are filed do not disclose sufficient reason against the formation of the municipality, the Lieutenant Governor in Council by order may form the municipal district, village or summer village.

(5) When an order is made forming a municipal district, village or summer village, the Minister, immediately on the order being published, shall make the necessary arrangement for the election of the council, including the setting of dates for nominations and election, if any, and the first meeting.

PETITION*

TO FORM A SUMMER VILLAGE

(THE MUNICIPAL GOVERNMENT ACT)

TO: The Minister Alberta Municipal Affairs
Government of the Province of Alberta
EDMONTON, Alberta

The undersigned persons, being proprietary electors of the area known as_____, hereby petition you to request the Lieutenant-Governor in Council for an Order to form into a summer village to be known as the Summer Village of_____, the lands shown on the plan attached hereto and described as follows:

(SET OUT DESCRIPTION OF AREA TO BE INCORPORATED)

The petitioners, each for himself or herself, certifies that he or she would, if the proposed SUMMER VILLAGE is formed, be a proprietary elector of the said SUMMER VILLAGE and entitled to vote at an election held therein.

Legal Description of Property				Printed	Property Owner's	Mailing	Signature
Sec. (or)	Twp. Lot	Rge. Blk.	Mer. Plan	Name	Signature	Address	of Witness

NOTE: This petition is a sample only and is reduced in size for the purposes of this information package.

STATEMENT OF REPRESENTATIVE OF PETITIONERS

Re: Formation of the Village of _____

I, _____, of the Hamlet of _____, certify that I am one of the petitioners whose name appears on the petition hereto attached, that I represent the petitioners and am the person to which any enquiries regarding the petition may be directed.

_____
DATE

_____
SIGNATURE

_____
ADDRESS

Bus: _____ Res: _____
TELEPHONE

AFFIDAVIT OF EXECUTION FOR WITNESS

We, the undersigned, of the_____of_____, in the Province of Alberta, MAKE OATH AND SAY:

1. That we were personally present and did see those persons whose signatures appear on the attached petition and whose signatures we have witnessed, duly signed and executive the petition for the purposes named therein.

2. That to the best of our belief the persons whose signatures we have witnessed are electors of the_____of_____.

3. That we are of the full age of 18 years.

SWORN before me by all of the above deponents at the of , in the Province of Alberta this day of A.D., 19 .

_____
_____
_____
Witnesses

_____
A Commissioner for Oaths in and for the Province of Alberta

MUNICIPAL GOVERNMENT ACT

1(f) "hamlet" means

(i) an unincorporated community consisting of a group of 5 or more occupied dwellings, a majority of which are on parcels of less than 1850 square metres, with a defined boundary, a distinct name and the existence of or provision for non-residential uses, that is designated as a hamlet by the council for the municipal district in which the community is located or by the Minister, or

(ii) any area declared to be a hamlet by the Minister before July 1, 1986 unless the declaration is revoked by the Minister.